

## Message Text

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PAGE 01 GENEVA 05694 181005Z

17

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 EB-07 COME-00 SS-15 STR-04 L-03

ERDA-05 CIAE-00 H-02 INR-07 NSAE-00 OIC-02 OMB-01

PA-01 PM-03 PRS-01 SAJ-01 SAM-01 SP-02 TRSE-00

DODE-00 NSC-05 ACDA-05 BIB-01 NSCE-00 SSO-00 USIE-00

INRE-00 CU-02 CIEP-01 /092 W  
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O R 180932Z JUL 75

FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 4722

INFO USMISSION EC BRUSSELS

USMISSION NATO

AMEMBASSY MOSCOW

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FOR EUR/RPM AND EB/ITP/EWT (TARTTER)

EO: 11652: N/A

TAGS: CSCE PFOR XG EEWT

SUBJ: CSCE: BASKET II - TRADE ISSUES

REF: A. STATE 168103; B. GENEVA 5638

SUMMARY. CSCE BASKET II COMPLETED ALL SUBSTANTIVE WORK MIDNIGHT JULY 17. RECIPROCITY/MFN ISSUE RESOLVED BY INSERTING LINK BETWEEN TWO CONCEPTS IN TRADE SECTION PREAMBLE. U.S. ALSO MADE STATEMENT FOR OFFICIAL RECORD DESCRIBING CONDITIONS UNDER WHICH WE WILLING AND ABLE EXTEND MFN. END SUMMARY.

1. APPRECIATE HELPFUL GUIDANCE REFTEL. WE INFORMED USSR OF OUR CONTINUING INSISTENCE ON LINK BETWEEN MFN AND RECIPROCITY, AND IN BILATERAL NEGOTIATIONS WITH THEM, AGREED THAT TRADE SECTION PRE-AMBULAR PARAGRAPH PREVIOUSLY REGISTERED SHOULD BE MODIFIED TO LIMITED OFFICIAL USE

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PAGE 02 GENEVA 05694 181005Z

READ AS FOLLOWS: "RECOGNIZING THAT TRADE REPRESENTS AN ESSEN-

TIAL SECTOR IN THEIR CO-OPERATION AND BEARING IN MIND THAT THE PROVISIONS CONTAINED IN THE GENERAL PREAMBLE APPLY IN PARTICULAR TO THIS SECTOR." THUS RECIPROCITY PROVISION IN GENERAL PREAMBLE CLEARLY LINKED TO SUBSEQUENT MFN TEXT IN TRADE SECTION. EC AND CANADA, WHO HAD PREDICTED USSR WOULD NOT BE WILLING ACCEPT LINK, PLEASED WITH THIS IMPROVEMENT IN TEXT. (NOTE: IN NATO CAUCUS, WE EXPRESSED U.S. DISAPPOINTMENT AND RESENTMENT THAT EC HAD NEGOTIATED ON A TEXT ON MFN, WHICH OF PRIME INTEREST TO U.S., DIRECTLY WITH SOVIETS WITHOUT COORDINATING WITH US OR KEEPING US INFORMED.)

2. DESPITE LINK ACHIEVED IN TEXTS, WE CONSIDERED IT DESIRABLE TO PUT U.S. VIEWS ON MFN ISSUE IN OFFICIAL RECORD. U.S. STATEMENT IN JULY 17 COMMITTEE II JOURNAL READS AS FOLLOWS: "IN ACCEPTING THIS REFERENCE TO MFN, I AM INSTRUCTED TO POINT OUT THAT MY GOVERNMENT CONSIDERS THAT MFN WOULD BE EXTENDED BY US ONLY ON A BASIS OF EFFECTIVE RECIPROCITY AND THAT THE DEFINITION OF RECIPROCITY IN THE PREAMBLE, AS APPLIED TO MFN, CONVEYS THIS POINT IN A MANNER SATISFACTORY TO US. ALSO, IN CERTAIN CASES, THE UNITED STATES CAN EXCHANGE MFN ONLY AS A PART OF BILATERAL TRADE AGREEMENTS. IN THIS CONNECTION, WE CONSIDER REFERENCES TO SUCH AGREEMENTS IN BOTH THE GENERAL PREAMBLE AND THE TRADE SECTION COVER THIS POINT." WE INFORMED USSR IN ADVANCE OF INTENTION MAKE THIS STATEMENT. THEY EXPRESSED UNHAPPINESS ABOUT OUR DOING SO, BUT DID NOT MAKE MAJOR ISSUE OF MATTER.

3. REMAINDER OF TEXT TRANSMITTED REFTEL (B) APPROVED WITH ONLY MINOR CHANGES. OTHER OUTSTANDING PROPOSALS (ALL RELATIVELY MINOR) WITHDRAWN, AND COMMITTEE AGREED ON ARRANGEMENT OF ALL BASKET II TEXTS, THIS COMPLETING SUBSTANTIVE WORK. FINAL HOUSEKEEPING MEETING BEING HELD MORNING JULY 18.

4. RECIPROCITY TEXT, WHICH SLIGHTLY MODIFIED FROM REFTEL (B) VERSION, WAS ADOPTED AS FOLLOWS: "RECOGNIZING THAT SUCH CO-OPERATION, WITH DUE REGARD FOR THE DIFFERENT LEVELS OF ECONOMIC DEVELOPMENT, CAN BE DEVELOPED, ON THE BASIS OF EQUALITY AND MUTUAL SATISFACTION OF THE PARTNERS, AND OF RECIPROCITY PERMITTING, AS A WHOLE, AN EQUITABLE DISTRIBUTION OF ADVANTAGES AND OBLIGATIONS OF COMPARABLE SCALE, WITH RESPECT FOR BILATERAL AND MULTILATERAL AGREEMENTS."DALE  
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PAGE 03 GENEVA 05694 181005Z

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, TRADE, COMMITTEES, RESOLUTIONS, BASKET II  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** KelleyW0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Executive Order:** N/A  
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**Original Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 168103, 75 GENEVA 5638  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** KelleyW0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 APR 2003  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
**Subject:** CSCE: BASKET II - TRADE ISSUES  
**TAGS:** PFOR, EEWT, XG, CSCE  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006